

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

RADCLIFF INVESTMENTS LIMITED,
ROTHSCHILD TRUST GUERNSEY LIMITED,
and ROBERT D. SALEM,

Defendants.

Adv. Pro. No. 10-04517 (SMB)

**ORDER GRANTING IN PART AND DENYING IN PART MOTION TO DISMISS THE
FIRST AMENDED COMPLAINT**

On May 1, 2017, defendant Rothschild Trust Guernsey (“Rothschild Trust”) filed a motion (ECF No. 57), supporting memorandum of law (ECF No. 58) and Declaration of Jeff E. Butler (ECF No. 59) (collectively the “Motion to Dismiss”) to dismiss all claims asserted against Rothschild Trust in the First Amended Complaint, filed on March 31, 2017 (ECF No. 54) (the “Amended Complaint”), of Plaintiff Irving H. Picard, as trustee (the “Trustee”) for the substantively consolidated liquidation of the business of Bernard L. Madoff Investment

Securities LLC (“BLMIS”) and the estate of Bernard L. Madoff, under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa-III.

On June 30, 2017, the Trustee filed his opposition to the Motion to Dismiss (ECF No. 61).

On July 31, 2017, Rothschild Trust filed a reply to the Trustee’s opposition and in further support of the Motion to Dismiss (ECF No. 65).

On September 20, 2017, the Court conducted a hearing on the Motion to Dismiss at which time the Court issued a ruling from the bench granting in part and denying in part the Motion to Dismiss.

As set forth in the Court’s September 20, 2017 oral decision, which is incorporated herein and made part hereof, it is hereby **ORDERED** that:

1. The Motion to Dismiss is **DENIED** as to the claim that Rothschild Trust is the initial transferee.
2. The Motion to Dismiss is **GRANTED** as to the claim that Rothschild Trust is the entity for whose benefit the transfers were made.
3. The Trustee shall have thirty (30) days from the date of entry of this order to file an amended complaint.

SO ORDERED

Dated: **October 3, 2017**
New York, New York

/s/ STUART M. BERNSTEIN
HONORABLE STUART M. BERNSTEIN
UNITED STATES BANKRUPTCY JUDGE